



REPLY TO  
ATTENTION OF

DEPARTMENT OF THE ARMY  
ASSISTANT CHIEF OF STAFF FOR INSTALLATION MANAGEMENT  
600 ARMY PENTAGON  
WASHINGTON DC 20310-0600



DAIM-FD

MAY 31 2001

MEMORANDUM FOR SEE DISTRIBUTION

SUBJECT: Privatizing Utility Systems – Definitions and Demarcation Points

1. References:

- a. Title 10 United States Code Section 2688, Utility systems: conveyance authority
- b. HQDA, ACSIM (DAIM-FD) Memorandum, 2 Sep 99, Privatizing Utility Systems
- c. HQDA, ACSIM (DAIM-FDF-E) Memorandum, 21 Jan 99, Privatization of Army Owned Utility Systems – Criteria for Exemptions

2. The purpose of this memorandum is twofold: a) clarify what the Army considers to be a "utility system" within the meaning of the legislative authority contained in Title 10 U.S.C. Section 2688, and b) provide examples of the points of demarcation for the scope of the potential utility privatization contractor's project and what is to remain under the responsibility of the installation, assigned to a base operations (e.g., A-76) contractor, or assigned to an Army Family Housing Residential Communities Initiative (RCI) contractor.

3. Title 10 U.S.C. Section 2688 (Reference 1.a.) provides the legislative authority by which installations are conveying Army-owned electric, natural gas, water and wastewater systems to either a municipal, private, regional, district, or cooperative utility company or other entity. Current Army policy and procedures for the utility privatization program are contained in references 1.b. and 1.c. and on the ACSIM Internet web site: <http://www.hqda.army.mil/acsimweb/fd/policy/utilitiespricur.htm>

4. When utility privatization and a Residential Community Initiative are concurrently underway, installations must ensure that these programs are thoroughly coordinated to ensure consistency in assigning responsibilities for the utility system infrastructure and the location of the demarcation points. As a general rule, responsibility for specific functions or systems should be assigned to the entity with demonstrated core competency in those functions and systems.

5. Enclosure 1 provides definitions of the systems to be included in the scope of any initiative for the privatization of electrical, natural gas, water and wastewater utility systems. Enclosure 2 provides examples of recommended points of demarcation

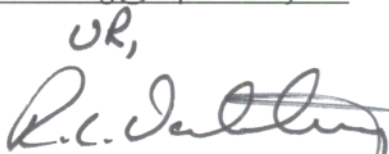


DAIM-FD

SUBJECT: Privatizing Utility Systems – Definitions and Demarcation Points

where ownership would transition from the government to the new utility service provider. Final points of demarcation in a privatized utility system may be predicated upon prevailing state, local, or industry-utility standards and/or regulations.

6. The ACSIM point of contact for this matter is Mr. William F. Eng, DAIM-FDF-UE, (703) 428-7078, DSN: 328-7078, or [William.Eng@hqda.army.mil](mailto:William.Eng@hqda.army.mil).

OK,  


2 ENCLS

R. L. VAN ANTWERP  
Major General, U.S. Army  
Assistant Chief of Staff  
for Installation Management

DISTRIBUTION:

COMMANDER

U.S. ARMY EUROPE AND SEVENTH ARMY, ATTN: AEAEN-EH, APO AE 09014

U.S. ARMY FORCES COMMAND, ATTN: AFPI-EN, FORT MCPHERSON,  
GA 30330-6000

U.S. ARMY MATERIEL COMMAND, ATTN: AMCEN, 5000 EISEHOWER AVENUE,  
ALEXANDRIA, VA 22333-001

U.S. ARMY TRAINING AND DOCTRINE COMMAND, ATTN: ATBO-G, FORT  
MONROE,  
VA 23651-5000

U.S. ARMY MILITARY DISTRICT OF WASHINGTON, ATTN: ANEN, FORT LESLEY J.  
MCNAIR, WASHINGTON, DC 20314-1000

U.S. ARMY CORPS OF ENGINEERS, MILITARY PROGRAMS, ATTN: CEMP, ISD,  
441 G STREET, NW, WASHINGTON, DC 20314-1000

U.S. ARMY MEDICAL COMMAND, ATTN: HSCS, FORT SAM HOUSTON,  
TX 78234-6000

U.S. ARMY PACIFIC COMMAND, ATTN: APLG, FORT SHAFTER, HI 96858-5100  
EIGHTH U.S. ARMY, ATTN: EAEN, APO AP 96204-0078

U.S. ARMY TEST AND EVALUATION COMMAND, ATTN: CSTE-ILE-EH, 4501 FORD  
AVENUE, ALEXANDRIA, VA 22302-1458

U.S. ARMY RESERVE COMMAND, ATTN: DAAR-EN, FORT MCPHERSON,  
GA 30330

U.S. ARMY SOUTH, ATTN: SOCS, FORT BUCHANAN, PR 09225

DAIM-FD

SUBJECT: Privatizing Utility Systems – Definitions and Demarcation Points

U.S. ARMY SPACE AND MISSILE DEFENSE COMMAND, ATTN: CSMD-EN,  
HUNTSVILLE, AL 35807-3801

MILITARY TRAFFIC MANAGEMENT COMMAND, MTMC-PAL, 200 STOVALL  
STREET, ALEXANDRIA, VA 22332

SUPERINTENDENT

U.S. ARMY MILITARY ACADEMY, ATTN: MAEN, WEST POINT, NY 10996-1592

CHIEF

U.S. ARMY NATIONAL GUARD, ATTN: NGB-ARI, 111 S. GEORGE MASON DRIVE  
ARLINGTON, VA 22204

CF:

DEPUTY ASSISTANT SECRETARY OF THE ARMY (INSTALLATIONS & HOUSING)

DIRECTOR

U.S. ARMY CONSTRUCTION ENGINEERING RESEARCH LABORATORY,  
CHAMPAIGN, IL 61820

U.S. ARMY ENGINEERING AND SUPPORT CENTER, ATTN: CEHNC-DE,  
HUNTSVILLE, AL 35807-4301

DEFENSE ENERGY SUPPORT CENTER, DESC-A, 8755 JOHN J. KINGMAN ROAD,  
FORT BELVOIR, VA 22060